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October 20, 2015

## **PSC opens docket to mitigate burden to ratepayers from Department of Revenue tax valuation increases**

**HELENA, Mont. –October 20, 2015–** In anticipation of a steep increase in property taxes for the state's largest utility, NorthWestern Energy, the Montana Public Service Commission opened a docket Tuesday in an attempt to mitigate the impact to ratepayers.

Northwestern Energy recently informed the PSC that the Department of Revenue calculated an approximately **42% increase in the company's taxable valuation** due primarily to the acquisition of 11 hydroelectric dams in 2014. The valuation increase is expected to result in a significantly larger tax bill for NorthWestern Energy, which state law allows to automatically pass through to their customers, a policy that is unique to utilities in the state of Montana.

During the last legislative session, the PSC unanimously supported a bill that would have ended the automatic tax pass-through, instead requiring the utility to come before the PSC prior to including tax increases into customers' rates. That bill, HB 190, failed to pass the legislature, and state law continues to allow NorthWestern to automatically calculate tax increases into their rates.

There are four primary goals for the docket that the commission opened on Tuesday:

- **Receiving NWE's annual tax tracker filing, and the filing related to the increased taxes on NorthWestern's hydroelectric facilities**
- **Receive information from NWE and others about the significant increase in valuation and resultant property taxes based on the 2015 Department of Revenue valuation, including what NWE is doing to contain its tax liability**
- **Considering requirements for NWE to disclose information to its consumers about its tax liability**

- **Work with the Department of Revenue to mitigate impact to NorthWestern Energy's customers**

The Commission plans to hold a hearing on NorthWestern's tax tracker before the taxes are calculated into rates on January 1<sup>st</sup>, 2016.

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